

JUL - 1 2013

IN THE CIRCUIT COURT OF THE STATE OF OREGON  
FOR THE COUNTY OF MULTNOMAH

STATE OF OREGON, ex rel. ELLEN F.  
ROSENBLUM, Attorney General for the State  
of Oregon, and PATRICK M. ALLEN, Director  
of the Department of Consumer and Business  
Services,

Plaintiff,

v.

SWIFT ROCK FINANCIAL, INC., d/b/a World  
Law Direct, World Law Group, World Law  
Plan, World Law Debt Settlement, World Law  
Debt Services, World Law Options, and World  
Law Debt Assistance, a Texas corporation; and

ORION PROCESSING, LLC, d/b/a World Law  
Processing and WLD Credit Repair, a Texas  
limited liability company,

Defendants.

Case No. **1307-09347**

COMPLAINT

**ORS 20.140 - State fees deferred at filing**

Unlawful Trade Practices Act, ORS 646.605 to  
646.656

Debt Management Service Providers Act, ORS  
697.602 to 697.842

Financial Abuse, ORS 124.125

**NOT SUBJECT TO MANDATORY  
ARBITRATION**

Plaintiff, STATE OF OREGON ("Plaintiff"), for its Complaint alleges as follows:

**PARTIES**

1.

ELLEN F. ROSENBLUM is the Attorney General for the State of Oregon and, acting in  
her official capacity, brings this action pursuant to ORS 646.632 to enjoin the unlawful trade  
practices alleged below, and pursuant to ORS 124.125 to remedy the acts of financial abuse  
alleged below.

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1 2.

2 PATRICK M. ALLEN is the Director of the Department of Consumer and Business  
3 Services and, acting in his official capacity, brings this action, pursuant to ORS 697.762, to  
4 enjoin the violations of ORS 697.602 to 697.842 alleged below.

5 3.

6 Defendant SWIFT ROCK FINANCIAL, INC. ("SWIFT ROCK ") is a Texas corporation  
7 that purports to be a law firm in the business of providing "quality debt relief options, backed by  
8 attorneys" to consumers. SWIFT ROCK conducts business under the name "World Law Debt."

9 4.

10 Defendant SWIFT ROCK also offers its services under other assumed business names,  
11 including World Law Direct, World Law Group, World Law Plan, World Law Debt Settlement,  
12 World Law Debt Services, World Law Options, and most recently World Law Debt Assistance.  
13 SWIFT ROCK's principal place of business is in Austin, Texas.

14 5.

15 Defendant ORION PROCESSING, LLC ("ORION") is a Texas limited-liability  
16 company. ORION conducts business under the name "World Law Processing" and "WLD  
17 Credit Repair." ORION's principal place of business is in Austin, Texas.

18 6.

19 For purposes of this Complaint, any references to the acts and practices of Defendants  
20 SWIFT ROCK and ORION shall mean that such acts and practices are by and through the acts of  
21 said corporate entities' officers, owners, directors, employees, agents, or independent contractors.

22 7.

23 Defendants have acted in concert to engage in the acts and practices described throughout  
24 this Complaint and each Defendant is jointly and severally liable for the acts and practices  
25 described below.

26 ///



1 14.

2 Pursuant to ORS 646.636, Plaintiff is entitled to a judgment against Defendants that  
3 orders Defendants to restore to Oregon residents any monies or property of which the residents  
4 were deprived by means of the unlawful practices alleged below.

5 15.

6 Pursuant to ORS 646.642, Plaintiff is entitled to a judgment for civil penalties of up to  
7 \$25,000 against Defendants for each of Defendants' willful violations of the UTPA.

8 16.

9 Pursuant to ORS 124.125, Plaintiff is entitled to a judgment for penalties of up to \$25,000  
10 against Defendants for each of Defendants' acts of financial abuse.

11 **BACKGROUND**

12 17.

13 Debt settlement is a business that promotes itself as an alternative to bankruptcy. In most  
14 debt settlement programs, consumers are instructed to stop making payments to their creditors  
15 and begin saving money for the purpose of settling the debts for amounts less than the consumer  
16 owes. In other programs, although consumers are not instructed to stop paying their creditors,  
17 the program imposes savings requirements that are so significant that consumers are unable to  
18 save sufficient funds while paying their creditors simultaneously.

19 18.

20 Debt settlement providers usually collect their fees from the accumulated settlement  
21 funds. When a consumer has saved a sufficient amount, the provider then begins negotiations  
22 with the consumer's creditors.

23 19.

24 Consumers who stop paying their creditors can face increased account balances as a  
25 result of interest rate increases and late fees, as well as lawsuits for breach of contract and wage  
26

1 garnishment. Consumers often complain that they pay significant amounts in fees without  
2 receiving the promised results.

3 20.

4 These complaints prompted state and federal regulators to begin taking administrative  
5 and legal action against various debt settlement companies, alleging that these companies were  
6 engaged in unfair and deceptive actions towards consumers. Legislators also began enacting  
7 new laws in an effort to better regulate debt settlement providers.

8 21.

9 On June 26, 2009, the Governor approved House Bill 2191 (2009), which limited the  
10 amounts and types of fees that debt settlement providers can charge consumers; limited when  
11 those fees could be charged; and required persons who provide those services in Oregon to  
12 register with the Director of the Department of Consumer and Business Services (DCBS) on or  
13 after January 1, 2010. Now codified at ORS 697.602 to 697.842, the bill contained an  
14 emergency clause, and was effective upon the Governor's approval. Or Laws 2009, ch 604, § 31.

15 **ALLEGATIONS COMMON TO ALL CLAIMS**

16 22.

17 Since June 26, 2009, Defendants have offered "debt solutions" and "structured debt  
18 settlements" to financially distressed consumers in Oregon. Defendants solicit consumers using  
19 a variety of means, including television; direct mailings; and, websites such as  
20 [www.worldlawdebtsettlement.com](http://www.worldlawdebtsettlement.com), [www.worldlawplan.com](http://www.worldlawplan.com), [www.worldlawdebt.com](http://www.worldlawdebt.com),  
21 [www.worldlawdirect.com](http://www.worldlawdirect.com), and [www.worldlawdebtassistance.com](http://www.worldlawdebtassistance.com). Defendants also maintain a  
22 social media presence on YouTube, Facebook, and Twitter.

23 23.

24 Defendants use the aforementioned websites and social media outlets to present  
25 themselves to consumers as a law firm that specializes in negotiating with consumers' creditors  
26 to settle credit card, student loan, and medical debt.

24.

At [www.worldlawdebt.com](http://www.worldlawdebt.com), [www.worldlawoptions.com](http://www.worldlawoptions.com), and [www.worldlawplan.com](http://www.worldlawplan.com),

Defendants assure consumers:

"We solve debt issues: Personal debt evaluation, structured debt settlements, client has personally assigned state attorney, 24 hour access to legal advice for our clients, paid and free ask-a-lawyer services."

25.

At [www.worldlawdebtsettlement.com](http://www.worldlawdebtsettlement.com), Defendants tell interested consumers:

"If you're overwhelmed with debt and looking for debt relief, we're here to help. Our debt relief law firm is committed to helping consumers take control of debt and settle it quickly. We make it a point to understand all aspects of your financial situation. We then custom-fit a solution that is tailored to your debt needs. Our debt relief law firm consists of the nation's leading debt settlement attorneys, skilled debt analysts, expert debt negotiators, and a client driven team of customer care professionals."

26.

At [www.worldlawdebtassistance.com](http://www.worldlawdebtassistance.com), Defendants represent that they "can settle your debt for less than the balance owed, without you having to file for Bankruptcy" and that they can "lower your monthly payments and save you money."

27.

Testimonials on [www.worldlawdebtassistance.com](http://www.worldlawdebtassistance.com) attest to Defendants' purported skill at obtaining debt reductions on behalf of consumers. In one, Oregon consumer "Velma P." states:

"I would like to thank each and every one of you on the hard work you put in on my account. Words cannot express what I feel at this time. A huge burden has been lifted. I know you will do exceedingly well with my other accounts. Again, Thank You Very Much!

"Owed to Sears: \$8,228.33

"Settled to: \$3,122.90

"Savings: \$5,105.43"

28.

Defendants have also solicited prospective Oregon clients using solicitations from the "OREGON ASSISTANCE CENTER." On one solicitation, Defendants represent that they are

1 "reaching out" because the consumer's credit report indicates that the consumer has over \$30,000  
2 in total credit card debt; that the consumer is late on making payments; and that they have  
3 determined, after a review of the consumer's situation, that the consumer "can resolve [the]  
4 distressed debt for \$12,852." The solicitation also represents that Defendants will help the  
5 consumer "avoid any pending legal action from [the consumer's] creditors" and that "Additional  
6 benefits include an Immediate Reduction of Payments by up to 60%, A Reduction of your Total  
7 Debt by 68% or More and Complete Elimination of your Credit Card Debt in 24 months Or  
8 Less."

9 29.

10 Between June 26, 2009 and April 16, 2013, Defendants entered into at least 425  
11 agreements for debt settlement services with Oregon residents. At least one of the persons with  
12 whom Defendants entered into an agreement was 65 years of age at the time the agreement was  
13 made. At least one of the consumers was present in Multnomah County, Oregon when the  
14 consumer entered into the agreement with Defendants.

15 30.

16 Consumers who express an interest in Defendants' services are electronically provided  
17 with a copy of Defendants' "Client Service Agreement" or "Customer Service Agreement" that  
18 the consumer can electronically sign and return to Defendants. Interested consumers are also  
19 told that Defendants' "program is designed to help you achieve settlements that you can afford in  
20 a timeframe that will work within your budget."

21 31.

22 Defendants' contracts specify that Defendants will provide "debt negotiations and  
23 settlement services on [the client's] behalf." Defendants' contracts further specify that  
24 Defendants' "processing division"--sometimes referred to as "World Law Plan" or "World Law  
25 Processing"--will perform "certain non-legal processing duties," including "accounting, clerical  
26 work, and negotiating settlements."

1 32.

2 When a consumer enters Defendants' debt settlement program, Defendants require the  
3 consumer to provide the consumer's bank account information and to authorize monthly  
4 electronic debits from the consumer's bank account by means of an automatic bank draft. The  
5 amount of the consumer's draft is determined by the amount of debt that the consumer enrolls in  
6 Defendants' debt settlement program. Oregon consumers' monthly payments into Defendant's  
7 debt settlement program ranged from approximately \$80 to \$1,570.

8 33.

9 Clients' monthly payments are withdrawn from clients' bank accounts by Global Client  
10 Solutions, LLC (hereinafter "Global"), which places the funds debited from clients' personal  
11 bank accounts into a "special purpose account" or "dedicated account," in the client's name, at a  
12 third-party bank. If, and when, Defendants reach settlements with a client's creditors, settlement  
13 payments are disbursed from the consumer's savings account.

14 34.

15 Defendants collect a myriad of fees from clients, including (1) a "onetime Attorney Initial  
16 Fee" of \$199.00; (2) a "monthly attorney evaluation fee" of \$84.95; (3) a "Bundled Legal  
17 Services Fee"; and an unspecified (4) debt settlement legal fee" that is ostensibly "earned on a  
18 prorated basis of the enrolled debt." Clients are also required to pay a \$9.45 monthly  
19 "maintenance fee" to Global.

20 35.

21 Defendants' contracts with clients authorize Defendants to collect their fees from the  
22 amounts that Global debits from clients' bank accounts before any settlements are negotiated or  
23 obtained. Thus, when Global debits clients' personal bank accounts each month, it immediately  
24 disburses Defendants' fees to Defendants.

25 ///

26 ///



1 36.

2 Defendants are not, and have never been, registered with the Director of DCBS as debt  
3 management service providers.

4 37.

5 At www.worldlawdebtassistance.com, Defendants represent that clients will be "assigned  
6 a Team of Attorneys, including a State and Federal attorney. Your Team of Attorneys will  
7 provide legal advice and protection. Once you have completed your first program payment, you  
8 will receive your Attorney Consultation Call from one of our leading attorneys and you will be  
9 provided with our bundled legal services."

10 38.

11 Defendants' contracts also state that clients will be "assigned an attorney who is in good  
12 standing with the State Bar in the state in which the CLIENT is located and who will provide  
13 CLIENT with legal advice throughout CLIENT's representation."

14 39.

15 Defendants instruct clients who are sued by their creditors to send copies of all pleadings  
16 that they receive to Defendants. Upon receiving those documents, Defendants prepare and  
17 provide the clients with responsive pleadings, and instruct the clients to file the documents in  
18 Oregon courts or to send the documents to opposing counsel.

19 40.

20 Defendants are not active members of the Oregon State Bar. Defendants' corporate  
21 officers are not active members of the Oregon State Bar. Defendants do not employ an active  
22 member of the Oregon State Bar. Although Defendants represented to debt collection attorneys  
23 that they are associated with at least two members of the Oregon State Bar, those members deny  
24 ever having had a relationship with Defendants.

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26 ///

1 41.

2 On or about May 30, 2012, the Director of DCBS served a proposed order on Defendants  
3 (then known to the Director as "World Law Group dba World Law Plan") advising them they  
4 were required to registered as debt management service providers, and that he intended to issue  
5 an order requiring them to cease all debt management service provider activity in Oregon and  
6 imposing a civil penalty of \$70,000 against Defendants for alleged violations of ORS 697.602 to  
7 697.842. On or about September 26, 2012, the Director of DCBS issued a final order against  
8 Defendants that was materially identical to the May 30, 2012 proposed order.

9 42.

10 Since the final order was issued, Defendants have continued to solicit Oregon residents;  
11 have entered into at least 100 new agreements with Oregon residents, with the most recent  
12 agreement known to Plaintiff having been made on or about April 16, 2013; have continued to  
13 negotiate on behalf of Oregon residents to lower their credit card debt; and, have continued to  
14 collect tens of thousands of dollars in fees from Oregon residents. Defendants have also failed to  
15 pay the \$70,000 civil penalty assessed by the Director of DCBS.

16 43.

17 According to records created by Global, from June 26, 2009 to April 16, 2013, 306  
18 Oregon residents have paid approximately \$1,588,698 into Defendants' debt settlement program.  
19 Of that amount, approximately \$275,211 in settlement payments has been made to creditors.  
20 Defendants have collected approximately \$960,226 in various fees. Clients who have closed  
21 their accounts have received refunds totaling approximately \$67,786.

22 44.

23 The conduct alleged in the preceding paragraphs was willful, in that Defendants knew or  
24 should have known that their conduct violated the UTPA. ORS 646.605(10).

25 ///

26 ///

1 **CLAIMS FOR RELIEF**

2 **DEBT MANAGEMENT SERVICE PROVIDERS ACT**

3 **FIRST CLAIM FOR RELIEF**

4 **ORS 697.762**

5 45.

6 Plaintiff realleges and incorporates each and every allegation contained in the preceding  
7 paragraphs as though set forth herein.

8 **Count 1**

9 46.

10 Defendants violated ORS 697.612(1) when, without being registered with the Director of  
11 DCBS, they entered into contracts with Oregon residents in which they agreed to negotiate on  
12 the residents' behalf to settle the Oregon residents' debts.

13 **Count 2**

14 47.

15 Defendants violated ORS 697.692(1)(a) when they charged consumers an initial fee that  
16 exceeded \$50.

17 **Count 3**

18 48.

19 Defendants violated ORS 697.692(1)(d) when they charged consumers fees that exceeded  
20 \$65 per month.

21 **UNLAWFUL TRADE PRACTICES ACT**

22 **SECOND CLAIM FOR RELIEF**

23 **ORS 646.608(1)(kkk)**

24 49.

25 Plaintiff realleges and incorporates each and every allegation contained in the preceding  
26 paragraphs as though set forth herein.

1 **Count 4**

2 50.

3 Defendants violated ORS 646.608(1)(kkk) when they violated ORS 697.612(1).

4 51.

5 Each and every contract that Defendants entered into with an Oregon resident in which  
6 they agreed to negotiate on the resident's behalf to settle the resident's debts without being  
7 registered with the Director of DCBS instance is a separate and distinct violation of ORS  
8 697.612(1) and ORS 646.608(1)(kkk).

9 **Count 5**

10 52.

11 Defendants violated ORS 646.608(1)(kkk) when they violated ORS 697.692(1)(a) by  
12 charging consumers an initial fee that exceeded \$50.

13 53.

14 Each and every instance where Defendants violated ORS 697.692(1)(a) is a separate and  
15 distinct violation of ORS 646.608(1)(kkk).

16 **Count 6**

17 54.

18 Defendants violated ORS 646.608(1)(kkk) when they violated ORS 697.692(1)(d) by  
19 charging consumers an initial fee that exceeded \$65.

20 55.

21 Each and every instance where Defendants violated ORS 697.692(1)(d) is a separate and  
22 distinct violation of ORS 646.608(1)(kkk).

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24 ///

25 ///

26 ///

**ORS 646.608(1)(e)**

### Count 7

56.

ORS 646.608(1)(e) forbids a person to represent that the person has a sponsorship, approval, status, qualification, affiliation, or connection that the person does not have.

57.

Defendants violated ORS 646.608(1)(e) when, although not active members of the Oregon State Bar, they advertised themselves as attorneys in Oregon.

58.

Each and every instance where Defendants advertised themselves as attorneys in Oregon without being active members of the Oregon State Bar is a separate and distinct violation of ORS 646.608(1)(e).

## Count 8

59.

Defendants violated ORS 646.608(1)(e) when, although not active members of the Oregon State Bar they represented themselves as attorneys by, among other things, provided Oregon residents with responsive pleadings to creditor consumers with responsive pleadings with instructions to file the documents in Oregon courts or to send the documents to opposing counsel.

60.

Each and every instance where Defendants, although not active members of the Oregon State Bar, represented themselves as attorneys by providing Oregon residents with responsive pleadings to creditor consumers with responsive pleadings with instructions to file the documents in Oregon courts or to send the documents to opposing counsel is a separate and distinct violation of ORS 646.608(1)(e).

///

1 **FINANCIAL ABUSE**  
2 **THIRD CLAIM FOR RELIEF**

3 **ORS 124.110**

4 61.

5 Plaintiff realleges and incorporates each and every allegation contained in the preceding  
6 paragraphs as though set forth herein.

7 62.

8 ORS 124.110 authorizes an action for financial abuse when a person wrongfully takes or  
9 appropriates money or property of a vulnerable person.

10 **Count 8**

11 63.

12 Each time that Defendants, while not registered with the Director of DCBS as a debt  
13 management service provider, collected a fee from an Oregon consumer who was 65 years age or  
14 older, Defendants engaged in an act of financial abuse of a vulnerable person.

15 **Count 9**

16 64.

17 Each time that Defendants collected a fee that was not permitted by ORS 697.692(1)  
18 from a client who was 65 years of age or older, Defendants engaged in an act of financial abuse  
19 of a vulnerable person.

20 **Count 10**

21 65.

22 Each time that Defendants collected an initial fee that exceeded the limits prescribed by  
23 ORS 697.692(1)(a) from a client who was 65 years of age or older, Defendants engaged in an act  
24 of financial abuse of a vulnerable person.

25 ///

26 ///

1 **Count 11**

2 66.

3 Each time that Defendants collected a fee that exceeded the limits prescribed by ORS  
4 697.692(1)(d) from a client who was 65 years of age or older, Defendants engaged in an act of  
5 financial abuse of a vulnerable person.

6 **PRAYER FOR RELIEF**

7 67.

8 **WHEREFORE**, Plaintiff, prays for relief as follows:

- 9 1. For a judgment against Defendants for civil penalties of up to \$25,000 for each  
10 willful, separate and distinct violation of the Unlawful Trade Practices Act, ORS  
11 646.605 to 646.656;
- 12 2. For a judgment against Defendants for penalties of up to \$25,000 for each  
13 instance of financial abuse against that Defendants engaged in against a  
14 vulnerable person, pursuant to ORS 124.125;
- 15 3. For a judgment against Defendants for Plaintiff's investigative costs, pursuant to  
16 ORS 124.125;
- 17 4. For a judgment against Defendants for reasonable attorney fees, pursuant to ORS  
18 124.125, ORS 646.632(8), and ORS 697.762(1);
- 19 5. For a judgment requiring Defendants to refund to each and every Oregon  
20 customer the full fees paid to Defendants;
- 21 6. For a judgment that requires Defendants to pay, to each vulnerable person against  
22 whom it engaged in acts of financial abuse, \$500 or three times the total of all  
23 economic damages that resulted to the person from Defendants' acts, whichever is  
24 greater, pursuant to ORS 124.100;
- 25  
26

- 1           7.     For a judgment and an order that declares that each and every contract that  
2                 Defendants have entered into with an Oregon resident is void and unenforceable  
3                 as contrary to public policy, pursuant to ORS 697.652(4);
- 4           8.     For a judgment and an order that permanently enjoins Defendants from  
5                 representing that they are licensed or authorized to practice law in this state, until  
6                 such time as the Defendants are active members of the Oregon State Bar, employ  
7                 an active member of the Oregon State Bar, or Defendants are in compliance with  
8                 rules issued by the Oregon Supreme Court pursuant to ORS 9.241;
- 9           9.     For a judgment and an order that permanently enjoins Defendants from engaging  
10                in the following activities in this state in exchange for money or other valuable  
11                consideration or with the expectation of receiving money or other valuable  
12                consideration unless Defendants have registered with the Director of DCBS:
- 13                a.   Providing or performing, or representing that Defendants will provide or  
14                    perform, a debt management service;
- 15                b.   Providing or performing, or representing that Defendants will provide or  
16                    perform, a debt management service to, or on behalf of, a resident of this  
17                    state;
- 18                c.   Soliciting or receiving an application for a debt management service from  
19                    a resident of this state;
- 20                d.   Forwarding or providing a completed application from a resident of this  
21                    state for a debt management service to a debt management service  
22                    provider;
- 23                e.   Referring a resident of this state to a debt management service provider;
- 24                f.   Providing the name, address or other information that identifies a resident  
25                    of this state to a debt management service provider for the purpose of  
26                    arranging the provision of a debt management service; and,



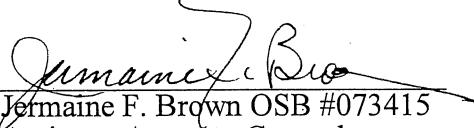
1                   g. Providing advice, assistance, instruction or instructional material  
2                   concerning a debt management service to a resident of this state.

- 3           10. For a judgment and order that permanently enjoins Defendants from charging a  
4           consumer any fee of a type, or in an amount, not authorized by ORS 697.692,  
5           when Defendants act a debt management service provider in this state;  
6           11. For a judgment that requires Defendants to pay \$70,000 to the Director of DCBS;  
7           12. For a judgment that declares that all injunctions herein shall apply to Defendants;  
8           to any present or future corporation or other organization or entity whose acts,  
9           practices or policies are directed, formulated or controlled by Defendants or in  
10          which either Defendant is a principal or owns any interest; and, to Defendants'  
11          successors and assigns, agents, representatives and employees, directly or through  
12          any affiliate, corporation, subsidiary, division or other related entity; and  
13          13. For a judgment granting any other and further relief, as the court may deem  
14          appropriate.

15  
16          DATED this 1<sup>st</sup> day of July, 2013.

17                                   Respectfully submitted,

18                                   ELLEN F. ROSENBLUM  
19                                   Attorney General

20                                     
21                                   Jermaine F. Brown OSB #073415  
22                                   Assistant Attorney General  
23                                   Department of Justice  
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